

**TRADEMARK ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST

**CONVEYING PARTY DATA**

Name	Formerly	Execution Date	Entity Type
PhilTem Holdings, Inc.		08/12/2005	CORPORATION:
Phillips & Temro Industries Inc.		08/12/2005	CORPORATION:
Phillips & Temro Industries Ltd.		08/12/2005	Limited:

**RECEIVING PARTY DATA**

Name:	American Capital Financial Services, Inc. as Agent
Street Address:	2 Bethesda Metro Center, 14th Floor
City:	Bethesda
State/Country:	MARYLAND
Postal Code:	20814
Entity Type:	CORPORATION:

**PROPERTY NUMBERS Total: 11**

Property Type	Number	Word Mark
Registration Number:	2060577	SMARTSHOT
Registration Number:	2115082	PHILLIPS & TEMRO
Registration Number:	1357626	COWL
Registration Number:	2015342	ARCTIC THAW
Registration Number:	670862	ZERO-START
Registration Number:	819039	ZERO START
Registration Number:	1321505	HEAT-MAGNET
Registration Number:	2361419	EM
Registration Number:	2361707	EM PRODUCTS
Registration Number:	2392455	CAB POWER
Registration Number:	2015341	VIBRA

**CORRESPONDENCE DATA**

**900032540**

**TRADEMARK  
 REEL: 003163 FRAME: 0476**

**CH \$290.00 2060577**

Fax Number: (212)310-8007  
*Correspondence will be sent via US Mail when the fax attempt is unsuccessful.*  
Email: rocio.clausen@weil.com, phyllis.eremitaggio@weil.com  
Correspondent Name: Weil, Gotshal & Manges c/o Rocio Clausen  
Address Line 1: 767 5th Avenue  
Address Line 4: New York, NEW YORK 10153

NAME OF SUBMITTER:	Rocio Clausen
Signature:	/Rocio Clausen/
Date:	09/22/2005

Total Attachments: 12  
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## TRADEMARK SECURITY AGREEMENT

TRADEMARK SECURITY AGREEMENT, entered into as of August 12, 2005, by and among PHILTEM HOLDINGS, INC., a Delaware corporation (“Parent”), PHILLIPS & TEMRO INDUSTRIES INC., a North Dakota corporation (“PTI US”), PHILLIPS & TEMRO INDUSTRIES LTD., a Nova Scotia limited company (“PTI Canada”), and together with Parent and PTI US, the “Grantors”, and each a “Grantor”, to and in favor of AMERICAN CAPITAL FINANCIAL SERVICES, INC., a Delaware corporation (“ACAS”), as agent for the Purchasers (in such capacity, the “Secured Party”) identified in the Note Purchase Agreement dated of even date herewith (the “Purchase Agreement”), among the Grantors, Truflo Air Movement Limited, a limited liability company organized under the laws of England and Wales with Registered Number 5500950, ACAS and the Purchasers party thereto.

## WITNESSETH:

WHEREAS, pursuant to the Purchase Agreement, the Purchasers have severally agreed to purchase certain Notes (as defined in the Purchase Agreement) upon the terms and subject to the conditions set forth therein;

WHEREAS, each Grantor is party to a Security Agreement of even date herewith in favor of the Agent (the “Security Agreement”) and each Grantor is required to execute and deliver this Trademark Security Agreement pursuant to the Security Agreement and the Purchase Agreement; and

WHEREAS, the parties hereto are parties to that certain Intercreditor Agreement (defined below) dated as of the date hereof.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained and to induce the Purchasers and the Agent to enter into the Purchase Agreement and to induce the Purchasers to purchase the Notes thereunder, each Grantor hereby agrees with the Agent as follows:

SECTION 1. **Defined Terms.** Unless otherwise defined herein, terms defined in the Purchase Agreement or in the Security Agreement and used herein have the meaning given to them in the Purchase Agreement or the Security Agreement.

As used herein, the following terms shall have the following meanings:

“Trademark” means (a) all United States trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos and other source or business identifiers, and all goodwill associated therewith, now existing or hereafter adopted or acquired, all United States registrations and recordings thereof, and all applications in connection therewith, whether in the United States Patent and Trademark Office, or in any similar office or agency of the United States, or any state thereof, and all common-law rights related thereto, and (b) the right to obtain all renewals and extensions thereof.

“Trademark License” means any agreement, whether written or oral, providing for the grant by or to any Grantor of any right to use any Trademark.

**SECTION 2. Grant of Security Interest in Trademark Collateral** Each Grantor, as collateral security for the full, prompt and complete payment and performance when due (whether at stated maturity, by acceleration or otherwise) of the Obligations (as defined in the Security Agreement) of such Grantor, hereby sells, conveys, pledges, hypothecates and grants to the Secured Party, its successors and assigns, a continuing and unconditional first priority security interest upon, in and to all of such Grantor’s right, title and interest in, to and under the following Collateral of such Grantor wherever located, and now owned or hereafter acquired (the “Trademark Collateral”):

(a) all of its Trademarks and Trademark Licenses to which it is a party, including, without limitation, those referred to on Schedule I hereto;

(b) all renewals and extensions of the foregoing;

(c) all goodwill of the business connected with the use of, and symbolized by, each such Trademark; and

(d) any consideration received when all or any part of the Trademark Collateral is sold, transferred, exchanged, leased, collected or otherwise disposed of, or any value received as a consequence of possession thereof, including but not limited to, all products, proceeds (including all “Proceeds” as defined in Section 9 102(a)(64) of the Code), cash, negotiable instruments and other instruments for the payment of money, chattel paper, security agreements or other documents, or proceeds of other proceeds, now or hereafter due and/or payable under any Trademark and with respect thereto, including, without limitation, any and all claims by any Grantor against third parties for past, present, future infringement, dilution, violation or any other impairment thereof.

**SECTION 3. Grantor Remains Liable.** It is expressly agreed by each Grantor that, anything herein to the contrary notwithstanding, such Grantor shall assume full and complete responsibility for the prosecution, defense, enforcement or any other necessary or desirable actions in connection with its Trademarks or Trademark Licenses, and shall hold the Agent harmless from any and all damages, liabilities and reasonable costs and expenses that may be incurred in connection with the Agent’s interest in such Trademarks or Trademark Licenses or any other action or failure to act in connection with this Trademark Security Agreement. Each Grantor shall remain liable for any and all claims by any Person that the conduct of such Grantor’s business or products or processes of such Grantor infringe any rights of such person.

**SECTION 4. Security Agreement.** The security interest granted pursuant to this Trademark Security Agreement is granted in conjunction with the security interest granted to the Agent pursuant to the Security Agreement and each Grantor hereby acknowledges and affirms that the rights and remedies of the Agent with respect to the security interest in the Trademark Collateral made and granted hereby are more fully set

forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

SECTION 5. **Termination of Security Interest in Trademark Collateral.** Upon payment in full of the Obligations and termination of all loan commitments relating thereto, the Agent shall reassign, redeliver and release (or cause to be so reassigned, redelivered and released), without recourse upon or warranty by the Agent, and at the sole expense of the Grantors, to the Grantors, against receipt therefor, such of the Trademark Collateral (if any) as shall not have been sold or otherwise applied by the Agent pursuant to the terms of the Security Agreement and not theretofore reassigned, redelivered and released to the Grantors, together with appropriate instruments of reassignment and/or release.

SECTION 6. **Counterparts.** This Trademark Security Agreement may be executed in any number of separate counterparts, each of which shall collectively and separately constitute one agreement.

SECTION 7. **APPLICABLE LAW.** THIS TRADEMARK SECURITY AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO MARYLAND CHOICE OF LAW DOCTRINE (OTHER THAN SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

SECTION 8. **Intercreditor Agreement.** Notwithstanding anything herein to the contrary, the lien and security interest granted pursuant to this Trademark Security Agreement and the exercise of any right or remedy hereunder are subject to the provisions of the Intercreditor Agreement, dated as of August 12, 2005, as the same may be amended, restated, supplemented, modified or replaced from time to time (the "Intercreditor Agreement") among LASALLE BANK NATIONAL ASSOCIATION, in its capacity as Collateral Agent under the First Lien Credit Documents, as First Lien Agent, AMERICAN CAPITAL FINANCIAL SERVICES, INC., as Second Lien Agent, LASALLE BANK NATIONAL ASSOCIATION, as Control Agent, PHILLIPS & TEMRO INDUSTRIES INC., PHILLIPS & TEMRO INDUSTRIES LTD. and TRUFLO AIR MOVEMENT LIMITED, as Borrowers, and PHILTEM HOLDINGS, INC., as a Grantor. In the event of any conflict between the terms of the Intercreditor Agreement and this Trademark Security Agreement, the terms of the Intercreditor Agreement shall govern..

[signature page follows]

IN WITNESS WHEREOF, each Grantor has caused this Trademark Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

GRANTORS:

PHILTEM HOLDINGS, INC.

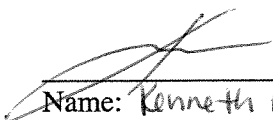
By: \_\_\_\_\_  
Name:  
Title:

PHILLIPS & TEMRO INDUSTRIES INC.

By: \_\_\_\_\_  
Name:  
Title:

Accepted and Agreed:

AMERICAN CAPITAL FINANCIAL SERVICES, INC.,  
as Agent

By:   
Name: Kenneth E Jones  
Title: Vice President

SIGNATURE PAGE TO TRADEMARK SECURITY AGREEMENT

IN WITNESS WHEREOF, each Grantor has caused this Trademark Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

GRANTORS:

PHILTEM HOLDINGS, INC.

By: Jason D. Sibley  
Name: Jason D. Sibley  
Title: Assistant Secretary

PHILLIPS & TEMRO INDUSTRIES INC.

By: Jason D. Sibley  
Name: Jason D. Sibley  
Title: Assistant Secretary

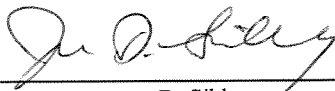
Accepted and Agreed:

AMERICAN CAPITAL FINANCIAL SERVICES, INC.,  
as Agent

By: \_\_\_\_\_  
Name:  
Title:

SIGNATURE PAGE TO TRADEMARK SECURITY AGREEMENT

PHILLIPS & TEMRO INDUSTRIES LTD.

By:   
Name: Jason D. Sibley  
Title: Assistant Secretary

SIGNATURE PAGE TO TRADEMARK SECURITY AGREEMENT



ACKNOWLEDGEMENT OF GRANTOR

STATE OF Ohio)  
COUNTY OF Cuyahoga) ss.

On this 12 day of August, 2005 before me personally appeared Jason D. Sibley, proved to me on the basis of satisfactory evidence to be the person who executed the foregoing instrument on behalf of PhilTem Holdings, Inc., who being by me duly sworn did depose and say that he is an authorized officer of said corporation, that the said instrument was signed on behalf of said corporation as authorized by its Board of Directors and that he acknowledged said instrument to be the free act and deed of said corporation.

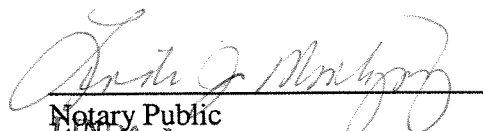
Linda J. Montgomery  
Notary Public

LINDA J. MONTGOMERY  
NOTARY PUBLIC • STATE OF OHIO  
My commission expires Sept. 10, 2006

ACKNOWLEDGEMENT OF GRANTOR

STATE OF Ohio )  
COUNTY OF Cuyahoga ) ss.

On this 12 day of August, 2005 before me personally appeared Jason D. Schly, proved to me on the basis of satisfactory evidence to be the person who executed the foregoing instrument on behalf of Phillips & Temro Industries Inc., who being by me duly sworn did depose and say that he is an authorized officer of said corporation, that the said instrument was signed on behalf of said corporation as authorized by its Board of Directors and that he acknowledged said instrument to be the free act and deed of said corporation.

  
Notary Public  
LINDA J. MONTGOMERY  
NOTARY PUBLIC • STATE OF OHIO  
My commission expires Sept. 10, 2006

ACKNOWLEDGEMENT OF GRANTOR

STATE OF Ohio)  
COUNTY OF Cuyahoga) ss.

On this 12 day of August, 2005 before me personally appeared Jason D. Sibley, proved to me on the basis of satisfactory evidence to be the person who executed the foregoing instrument on behalf of Phillips & Temro Industries Ltd., who being by me duly sworn did depose and say that he is an authorized officer of said corporation, that the said instrument was signed on behalf of said corporation as authorized by its Board of Directors and that he acknowledged said instrument to be the free act and deed of said corporation.

Linda J. Matzger  
Notary Public  
my Commission Expires  
09/06/06

**SCHEDULE I**  
to  
**Trademark Security Agreement**

**Trademark Registrations**

**A. REGISTERED TRADEMARKS**

<b>United States Trademark Registrations</b>				
<b><u>As of August 12, 2005</u></b>				
<b>TRADEMARK</b>	<b>REGISTRATION NO.</b>	<b>COUNTRY</b>	<b>OWNER</b>	<b>REGISTRATION DATE</b>
SMARTSHOT	2,060,577	United States	Phillips & Temro Industries Inc.	05/13/97
PHILLIPS & TEMRO	2,115,082	United States	Phillips & Temro Industries Inc.	11/25/97
VIBRA	2,015,341	United States	Phillips & Temro Industries Inc.	11/12/96
ARCTIC THAW	2,015,342	United States	Phillips & Temro Industries Inc.	11/12/96
COWL (stylized)	1,357,626	United States	Phillips & Temro Industries Ltd.	9/3/85
ZERO-START	670,862	United States	Phillips & Temro Industries Inc.	12/9/58
ZERO-START	819,039	United States	Phillips & Temro Industries Inc.	11/22/66
HEAT-MAGNET	1,321,505	United States	Phillips Temro, Inc.	2/19/85
EM Design	2,361,419	United States	Phillips & Temro Industries Inc.	6/27/00
EM PRODUCTS	2,361,707	United States	Phillips & Temro Industries Inc.	6/27/00
CAB POWER	2,392,455	United States	Phillips & Temro Industries Inc.	10/3/00

**State Trademark Registrations**

**As of August 12, 2005**

<b>TRADEMARK</b>	<b>REGISTRATION NO.</b>	<b>COUNTRY</b>	<b>OWNER</b>	<b>REGISTRATION DATE</b>
ZERO-START	6,065	Minnesota	Phillips & Temro Industries Inc.	1/25/79
ZERO-START	6,066	Minnesota	Phillips & Temro Industries Inc.	1/25/79
ZERO-START	6,067	Minnesota	Phillips & Temro Industries Inc.	1/25/79
ZERO-START	6,068	Minnesota	Phillips & Temro Industries Inc.	1/25/79

**International Trademark Registrations**

**As of August 12, 2005**

<b>TRADEMARK</b>	<b>REGISTRATION NO.</b>	<b>COUNTRY</b>	<b>OWNER</b>	<b>REGISTRATION DATE</b>
PHILLIPS & TEMRO	000417550	European Community	Phillips & Temro Industries Inc.	11/22/00
TEMRO	000658567	European Community	Phillips & Temro Industries Inc.	2/3/00
CAB POWER	001572007	European Community	Phillips & Temro Industries Inc.	5/23/01
SMARTSHOT	TMA471479	Canada	Phillips & Temro Industries Inc.	2/24/97
PHILLIPS & TEMRO	TMA490997 3/5/98	Canada	Phillips & Temro Industries Inc.	
VIBRA	TMA470278	Canada	Phillips & Temro Industries Inc.	1/30/97
HEAT-MAGNET	TMA467889	Canada	Phillips & Temro Industries Inc.	12/19/96
LITTLE BUDDY	TMA391296	Canada	Phillips & Temro Industries Inc.	12/6/91

<b>TRADEMARK</b>	<b>REGISTRATION NO.</b>	<b>COUNTRY</b>	<b>OWNER</b>	<b>REGISTRATION DATE</b>
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TEMRO	TMA183967	Canada	Phillips & Temro Industries Inc.	6/23/72
ZERO START (stylized)	TMA234805	Canada	Phillips Temro, Inc.	8/3/79
CAB POWER	TMA562263	Canada	Phillips & Temro Industries Inc.	5/22/02
TEMRO & Design	TMA294708	Canada	Phillips & Temro Industries Inc.	8/31/84
EM PRODUCTS	TMA538539	Canada	Phillips & Temro Industries Inc.	12/11/00
LITTLE BUDDY (design)	TMA390962	Canada	Phillips & Temro Industries Inc.	11/29/91
HEAT STICKER	TMA434452	Canada	Phillips & Temro Industries Inc.	10/14/94
HEATRAM	TMA217929	Canada	Phillips & Temro Industries Inc.	12/24/76
SILENT TWIN	TMA218133	Canada	Phillips & Temro Industries Inc.	12/31/76
PHILLIPS & TEMRO	201,832	Norway	Phillips & Temro Industries Inc.	3/9/00

B. TRADEMARK APPLICATIONS

None.

C. TRADEMARK LICENSES

None.